

Cutting Prescription Drug Costs



**A consumer's guide to cutting
prescription drug costs**

Published by the Office of Washington State
Insurance Commissioner Mike Kreidler

Dear Health Care Consumer:

We live in an age when more and more medical treatments are tied to expensive prescription drugs or the development of new ones. In fact, the high cost of prescription drugs is a problem for individual consumers and the entire health-care system. As health insurance carriers and their subscribers know too well, the rising cost of prescriptions has become one of the most powerful drivers of health-care inflation. It also causes financial strain for many families.

In the past few years, access to prescription drug coverage has emerged as one of the most serious problems that seniors, the disabled, and others face in today's health-care system. The state of Washington is committed to resolving this issue, and I set it as a priority for the Insurance Commissioner's Office when I took the oath of office in January 2001.

This guide cannot solve all of the problems associated with prescription drug cost and access. But it can help. There are ways to help cut an individual's prescription drug bill, and this booklet provides guidelines and phone numbers to help you find a solution for your particular circumstances.

If you have questions or concerns about your insurance coverage, you may call our toll-free Consumer Hot Line at 1-800-562-6900. Our Consumer Advocacy Division has experts in all lines of insurance (auto, homeowner, life, disability and health) who can assist you. For additional help with health insurance issues, Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a free service of my office. SHIBA Helpline provides specialized health insurance education, assistance, and advocacy, including individualized counseling regarding your rights and options. Call 1-800-397-4422 to be referred locally for assistance.

Sincerely,

Mike Kreidler

Washington State Insurance Commissioner

Questions to ask your doctor and pharmacist...

1. What are the brand names of similar drugs and what is the generic name of the medicine? Are there differences in cost?

Buying Generic Drugs

One of the most effective ways to lower pharmacy costs is to check out the generic drugs that may be available to you.

Generic drugs are simply lower-cost substitutes for brand-name drugs. The FDA assigns ratings that let doctors and pharmacists know how they match up. Under Washington law, a pharmacist must substitute a less costly generic drug if (a) the prescriber has authorized the substitution, (b) the patient has not requested the brand name, and (c) the generic drug is in stock. Because generic drugs are not patent-protected, no single manufacturer holds a monopoly on them, and thus there is a better chance that prices will stay low.

A similar strategy is to look for related drugs within specific therapeutic classes. For example, Tagamet (cimetidine), Zantac (ranitidine), Axid (nizatidine) and Pepcid (famotidine) are all brand-name members of the histamine-2 receptor antagonist class, and are relatively interchangeable for most people even though they are different chemical entities. If a patient had a pricey prescription for one of these, the pharmacist might be able to suggest a less costly alternative in that group. (Note: Such a change needs to be approved by the prescribing physician. Don't do it on your own!)

You should have a frank talk about these options with your physician and with the pharmacist where you normally buy your prescriptions. Both may offer good advice about less costly alternatives.



Medicaid (Department of Social and Health Services): 1-800-562-3022

Serious Illnesses and Rare Drugs

The **pharmaceutical industry** has a longstanding tradition of providing prescription drugs without charge to physicians whose patients might not otherwise be able to obtain the medicine they need. Participants include members of the Pharmaceutical Research and Manufacturers of America (PhRMA).

Your **doctor** and your pharmacist should be able to help you locate the lists of drugs and health conditions that are eligible for these programs.

In **addition**, many disease-related groups (such as the American Cancer Society) have collected information about how to request assistance, what prescription medicines are covered, and basic eligibility criteria. You can contact the organization(s) involved with your disease to see what kind of pharmacy assistance is available.

People with HIV/AIDS should be aware that the State Department of Health operates an HIV/AIDS medication program that provides discounts and cheaper medicines than patients could obtain on their own.



PhRMA website: To find drugs that are available without charge to physicians - www.phrma.org/

Questions to ask your doctor and pharmacist...

2. **How many doses** should I take a day, and what should I do if I miss a dose?
3. **How can I** get a refill? Can I save money if I get a longer prescription?

Crossing the Border

Many Washington residents who travel to foreign countries in search of cheaper drugs have been able to cut their prescription costs by half or even more.

Following is information you need if you are considering going to Canada to purchase prescription drugs.

► **Travel in person** You must travel in person. You cannot legally carry someone else's prescription across the border and have it filled.

► **Prescription length** Make sure your U.S. prescription is written for the longest period that your doctor feels is realistic — certainly three months and preferably six months or longer. You should ask your doctor or pharmacist about the possibility of obtaining a longer prescription.

► **Call before you leave** You must arrange for an interview with a Canadian physician in order to obtain a Canadian prescription for the drugs you need. This interview, which will cost you between \$20 and \$60, may include a physical examination.

Those who have traveled across the border recommend setting up this appointment before you leave home.

► **Check the drug price** You must check beforehand with the Canadian pharmacy to check the drug's price and its availability. Not all U.S. drugs are sold in Canada; nor are all drugs in stock all the time.

► **Authorized prescription**

It is legal to carry prescription drugs across the international border as long as you have the authorized prescription with you. Certain narcotics may only be carried across in one-month or two-month supply. The Canadian pharmacy and physician should be aware of these restrictions.



For Canadian pharmacy information, call **Puget Sound Council of Senior Citizens**, (206) 448-9646.

Drug Advertising

One of the surest ways to save money on prescription drugs is to be skeptical of the massive amount of television and print advertising accompanying the release of new prescription drugs. Newspapers and TV sometimes pick up these claims from advertisements and present them as facts.

Consumers should recognize that the intent of drug advertising is to increase sales, not fight disease or lower prices.

If you have questions about a new drug, pose them to your doctor and your pharmacist.

Comparison Shopping

It is an often-overlooked fact that you can sometimes make a substantial cut in your prescription drug expense simply by shopping around for the best price. A Seattle TV station did just that and discovered that it could find prices as much as 50 percent lower for certain brand-name and generic drugs being sold around the county.

A University of Washington study found significant savings were possible when consumers shopped for drug coverage with a “marketbasket approach.” That means looking for the drugs you know you need when you compare health insurance plans. But be careful. Buying from multiple pharmacies can also be a problem. It might conceal drug conflicts that can affect your health.

SHIBA (Statewide Health Insurance Benefits Advisors) HelpLine

for health insurance information, education and advocacy, call 1-800-397-4422 or visit www.insurance.wa.gov/shibahelpine.htm

Questions to ask your doctor and pharmacist...

4. Can you map all of my medications? Mapping makes sure your pharmacist is aware of all the different medications you are taking, and helps you manage the dosages and timing.

Questions to ask your doctor and pharmacist...

5. **What is** the medicine supposed to do?
6. **If it's not** working, what should I do?
7. **How will I know** if the medicine is working, and how long should I wait for that?

Assistance Programs

Pharmacy Assistance Programs

Both public and private programs offer medical assistance, including pharmaceuticals, without charge to seniors and others who cannot afford the health care they need. The best known public program is Medicaid, a state-federal partnership that covers health needs for low-income residents.

But private programs sometimes are available to those who can't qualify for public assistance. The Medicine Program, for example, will help applicants who:

- **have no insurance coverage** for outpatient prescription drugs;
- **do not qualify for a government program** that provides for prescription medication, such as Medicaid, and;
- **would face a hardship** if he or she had to purchase medication at retail.

To find out if you qualify for free prescription drugs, contact the Medicine Program at (573) 996-7300 or write to: The Medicine Program, Dept. B413, P.O. Box 515, Doniphan, Mo. 63935-0515. Or visit the website www.themedicineprogram.com

Washington State Health Insurance Pool (WSHIP)

WSHIP was created in the 1980s by the Legislature as a public insurer of last resort. For people not enrolled in Medicare, WSHIP is only available if you first apply for individual coverage and then fail a health screen questionnaire. Residents enrolled in Medicare are eligible only if they apply for supplemental coverage (Medigap) and receive a letter of rejection. This letter of rejection makes them eligible for WSHIP.

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for health insurance information, education and advocacy, call 1-800-397-4422 or visit www.insurance.wa.gov/shibahelpline.htm

WSHIP includes complete drug coverage, with cheaper co-pays for generic drugs and a \$500 annual out-of-pocket maximum. Premiums are based on age.

For more information, you can visit the WSHIP website at www.onlinehealthplan.com/oasys/wship or call 1-800-877-5187.

Discount Drug Programs

A variety of discount programs offer seniors and others the opportunity to purchase prescription drugs at lower-than-market rates.

In general, the Office of the Insurance Commissioner advises caution when dealing with discount marketers, since high joining fees and monthly premiums can outweigh savings on prescription costs over the long run.

If you want to investigate discount programs, consumer experts suggest that you first obtain a copy of the list of drugs covered by the formulary (a list of prescription drugs that a company approves to cover for their members) and the discounts you would receive. Check out the prices in a participating pharmacy to compare before paying any money to join.



Questions to ask your doctor and pharmacist...

8. Are there special precautions for me while using this medicine? Should I avoid driving? Alcohol? Eating certain foods? Taking other medicine?

Questions to ask your doctor and pharmacist...

9. Is this medicine to be taken by mouth? If so, should I take it before or after meals? Are there special instructions about how to take this medicine?

Ordering by Internet

Check with your local SHIBA HelpLine unit about discount pharmacy plans, including mail order operations.

The use of mail-order drug distributors and Internet sites has increased in recent years as consumers try to cut their prescription costs. In fact, researching health concerns now rank as the sixth most common use of the Internet. Using these sources to obtain prescription drugs can pose problems for unwary purchasers, however, and comparison shopping is still necessary in order to cut your costs.

Most dangerous is Internet sites located outside the United States, which may offer medications of inferior quality and without the safeguards that U.S. operations must include by law. It is especially hazardous for people who use these sites to sample unprescribed medications.

Price is another issue for both Internet and mail-order sites. Are they really cheaper? Not always. Studies have shown that consumers can shop for lower prices on the net and by mail, but much of the “discounting” claimed by these sites is not borne out in price

In general, here are safeguards you should heed:

comparisons. In addition, mail-order discount distributors may change prices frequently, wiping out savings you were counting on.

► **Never buy** from a site that will sell you drugs without a prescription. Legitimate sites always require a prescription, either called in by your

doctor or mailed in by the consumer.

► **Never buy** from a site that does not list a U.S. telephone number.

► **Steer clear** of sites that feature undocumented claims about drugs or promote “amazing” cures.

To check on suspicious Internet sites, visit the National Association of Boards of Pharmacy site (www.nabp.net) or call the association: (847) 698-6227.

Helpful Contacts

► **Only use** Internet pharmacies that have the approval of the National Association of Boards of Pharmacy.

The Office of the Insurance Commissioner (OIC) has two programs to assist consumers. **SHIBA (Statewide Health Insurance Benefits Advisors) HelpLine** health insurance information, education and advocacy, call 1-800-397-4422.

Consumer Advocacy consumer complaints and inquiries regarding insurance 1-800-562-6900. Or visit on the Internet at www.insurance.wa.gov

The Medicine Program Sponsored by major drug manufacturers, provides free prescription medication to those who qualify. To request a free brochure/application, please call (573) 996-7300 or write to: The Medicine Program, Dept. B413, P.O. Box 515, Doniphan, Mo. 63935-0515. Or visit the website www.themedicineprogram.com

For HIV/AIDS patients: The Department of Health HIV/AIDS Assistance 1-800-272-2437

WSHIP (Washington State Health Insurance Pool) 1-800-877-5187 or visit the website www.onlinehealthplan.com/oasys/wship

Area Agencies on Aging or Community Action Agencies: Look under the “County Government” section of your telephone directory.

Medicaid (Department of Social and Health Services): 1-800-562-3022

For Canadian pharmacy information: Puget Sound Council of Senior Citizens, (206) 448-9646

National Association of Boards of Pharmacy: To check Internet and mail order sites www.nabp.net or call (847) 698-6227.

PhRMA website: To find a list of drugs available without charge to physicians, visit www.phrma.org/

Questions to ask your doctor and pharmacist...

10. What side effects should I be alert for, what should I do if they occur, and can I minimize them in some way?

11. How should I store the medicine?



Office of the Insurance Commissioner

P.O. Box 40255

Olympia, Washington 98504-0255

Need help with an insurance problem or question? The Insurance Commissioner's Consumer Advocacy division has experts in all lines of insurance (auto, homeowner, life, disability and health) who can assist you. Call our toll-free hot line at

1-800-562-6900

In addition, if you need help with health coverage issues, Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a free service of the Insurance Commissioner's Office. SHIBA HelpLine provides specialized health insurance education, assistance, and advocacy, including individualized counseling regarding your rights and options. To be referred locally for assistance, call

1-800-397-4422

Also see these other publications by the Office of the Insurance Commissioner

- From the Ground Up - Consumer Guide to Homeowner Insurance
- In the Driver's Seat - Consumer Guide to Auto Insurance
- The Facts of Life - Consumer Guide to Life Insurance
- Homeowner Complaint Report
- Automobile Complaint Report
- Insurance Decoded - Consumer Guide to Insurance Terms
- Women's Direct Access to Health Care Providers
- Navigating Managed Care
- Retirement and Your Health Insurance
- Managed Care, Medicare and You
- Medicare, Medigap and You
- Consumer's Guide to Financing Long-Term Care
- It's Your Choice - Consumer Guide to Complementary and Alternative Health Care